

1 UNITED STATES DISTRICT COURT
2 WESTERN DISTRICT OF WASHINGTON
3 AT SEATTLE

4 QUALITY LOAN SERVICE)
CORPORATION OF WASHINGTON,)

No. 2:21-cv-00024-MLP

5 Plaintiff,)

6 v.)

**DECLARATION OF KRISTEN
GROVE**

7 SAMUEL M. WRIGHT, DIANA L.)
8 WRIGHT, INTERNAL REVENUE)
SERVICE, STATE OF WASHINGTON)
9 DEPARTMENT OF LABOR &)
INDUSTRIES, ISLAND COUNTY)
10 TREASURER, WASHINGTON)
DEPARTMENT OF REVENUE,)

11 Defendants.)
12 _____)

13 I, Kristen Grove, pursuant to 28 U.S.C. § 1746, declare as follows:

14 1. I am a Revenue Officer with the Internal Revenue Service (“IRS”) in
15 Seattle, WA.

16 2. In my capacity as a Revenue Officer, I am familiar with IRS records and
17 transcripts. I am also familiar with IRS collections procedures and processes and have
18 access to and am readily familiar with IRS records and computerized information
19 regarding the investigation of the federal tax liabilities of the taxpayer matters assigned to
20 me. I also have personal knowledge of the manner in which such IRS records and
21 computerized information are created and maintained.

22 3. My official duties include providing litigation support for the government
23 attorneys who handle litigation in U.S. District Courts on behalf of the United States.
24 This support includes, but is not limited to, researching and computing current
25 outstanding balances of liabilities owed by taxpayers involved in litigation. I am
26 authorized to access the IRS Individual Master File and Business Master File, which are
27 electronic records of assessments, payments, and other information, and can retrieve
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1 computerized information regarding accrued but unassessed statutory interest and
2 penalties owing with respect to unpaid assessments.

3 4. In my capacity as a Revenue Officer, and at the request of the United States
4 Department of Justice, Tax Division, I have researched and computed the balance due
5 from Diana L. Wright for unpaid outstanding federal unemployment taxes (Form 940) for
6 the taxable years 2001 through 2004, 2006 through 2010, and 2015 through 2017, and for
7 unpaid outstanding federal employer taxes (Form 941) for the taxable periods 2001 Q1
8 through 2010 Q4, 2015 Q2, and 2015 Q4 through 2017 Q4.

9 5. A duly authorized delegate of the Secretary of Treasury made timely
10 assessments against Diana L. Wright. Attached hereto as Exhibit A are true and accurate
11 copies of federal tax transcripts reflecting the assessments for the tax periods noted in
12 paragraph 4 of this declaration.

13 6. Despite timely notice and demand for payment of the tax assessments
14 described above, Diana L. Wright neglected or refused to make full payment of the
15 assessed amounts to the United States.

16 7. To compute an accurate current balance due with respect to the
17 assessments, credit entries (such as payments or adjustments) must be subtracted from,
18 and accrued interest amounts must be added to, the assessed amounts. The IRS relies on
19 the Integrated Data Retrieval System (“IDRS”) to store and track tax account
20 information. The IDRS is also used to make up-to-date interest calculations for balances
21 owed; the system performs interest computations applying the applicable statutory
22 interest rates, compounded daily. I am informed and believe that the floating rate of
23 interest on tax underpayments has been programmed into Internal Revenue Service
24 computers. I am familiar with the proper use of the IRS computer interest calculation
25 functions. In particular, I am familiar with the proper use of the IRS computer command
26 code “INTSTD” which provides a calculation of accrued interest and penalties to any
27 requested date, on unpaid tax assessments for a particular taxpayer.

1 8. The INTSTD module in IDRS was used to calculate the amount of accrued
2 tax, interest and penalties due, as of April 30, 2021, on assessments made against Diana
3 L. Wright, for the periods and liabilities at issue in this case.

4 9. Attached as Exhibit B are true and correct copies of the IDRS INTSTD
5 module printouts (with social security number redacted) showing a breakdown of the
6 unpaid outstanding federal income taxes, penalties and interest assessed against Diana L.
7 Wright as specified in paragraph 4 of this declaration.

8 10. The first paragraph of each INTSTD module printout for each period is a
9 summary for each period. The summary contains the following items:

- 10 a. total assessed amount (“ASSESSED TOTAL”), which is made up of
11 assessed failure to pay penalties (“ASSESSED FTP”), assessed interest
12 (“ASSESSED INT”) and assessed tax and penalties (“TAX &
13 PENALTY”);
- 14 b. total accruals that have continued to accrue pursuant to I.R.C. §§ 6601,
15 6621(a)(2), and 26 C.F.R. 301.6621-1, but have not yet been assessed
16 (“TOTAL ACCRUALS”), which is made up of accrued but unassessed
17 failure to pay penalties (“ACCRUED FTP”) and accrued but unassessed
18 interest (“ACCRUED INT”);
- 19 c. the combined amounts (both assessed and accrued) for interest (“TOTAL
20 INT”); and for failure to pay penalties (“TOTAL FTP”);
- 21 d. the total “BALANCE DUE” is the sum of “ASSESSED TOTAL” and
22 “TOTAL ACCRUALS.”

23 11. The accruals are calculated as of April 30, 2021 (reflected as “04302021”
24 on the first page of each INTSTD module).

25 12. In addition to the summary paragraph, each INTSTD module printout
26 includes Interest Computation Tables, which show the calculation of accrued interest,
27 which is calculated at a variable interest rate that is tied to the Federal short-term rate
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1 pursuant to I.R.C. § 6621(a)(2) (the quarterly federal short term rate plus 3%).

2 13. The first column, "CODE," lists either the applicable underpayment interest
3 rate under I.R.C. § 6621(a)(2) for the period at issue or the event code designating
4 specified events, such as assessment or payment and credits.

5 14. The second column, "TRANS-AMT," reflects any amounts associated with
6 the event codes in the first column. The information in the third and fourth columns,
7 "DATE" and "TO-DT," show the beginning and ending dates (by year, month, and date)
8 for the period for the entry. With respect to the accrued interest calculations, this is the
9 accrual period covered by each entry. The "INT-PRINCIPAL" column lists the amount
10 of accrued interest and principal due as of the beginning of the accrual period. The
11 "FACTOR" column is the interest rate in the first column prorated for the period at issue
12 (as set by the third and fourth columns). Finally, the "INTEREST-AMT" column
13 calculates the amount of interest accrued on the balance due for the period at issue. The
14 sum of the values in the "INTEREST-AMT" column is equal to the value in the "TOTAL
15 INT" entry on the summary paragraph of each INTSTD module. The summary
16 paragraph of each INTSTD module further breaks down interest into "ASSESSED INT"
17 (assessed interest) and "ACCRUED INT" (accrued but not yet assessed interest). The
18 amount listed as "ASSESSED INT" is equal to the sum of the assessed interest listed on
19 the corresponding Form 4340. The amount listed as "ACCRUED INT" is the total
20 amount of interest (whether assessed or not) accrued minus the assessed interest.

1 15. The total outstanding balance of the assessments against Diana L. Wright
2 for the assessments noted in paragraph 4 of this declaration, due as of April 30, 2021,
3 including statutory accruals through that date are as follows:

Tax Period (Form 940)	Unpaid Balance as of April 30, 2021
2001	\$903.48
2002	\$745.93
2003	\$608.61
2004	\$663.14
2006	\$1,749.58
2007	\$862.08
2008	\$516.73
2009	\$268.24
2010	\$95.98
2015	\$76.17
2016	\$277.54
2017	\$108.65

Tax Period (Form 941)	Unpaid Balance as of April 30, 2021
Q1 2001	\$6,515.34
Q2 2001	\$10,313.04
Q3 2001	\$9,606.95
Q4 2001	\$3,803.48
Q1 2002	\$3,874.22
Q2 2002	\$6,178.47
Q3 2002	\$2,758.44
Q4 2002	\$3,059.07
Q1 2003	\$4,236.16
Q2 2003	\$3,218.45
Q3 2003	\$5,530.94
Q4 2003	\$7,411.61
Q1 2004	\$6,805.58

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Tax Period (Form 941)	Unpaid Balance as of April 30, 2021
Q2 2004	\$5,351.20
Q3 2004	\$2,358.90
Q4 2004	\$3,119.88
Q1 2005	\$6,371.80
Q2 2005	\$9,216.50
Q3 2005	\$12,784.39
Q4 2005	\$12,059.10
Q1 2006	\$8,311.41
Q2 2006	\$10,243.99
Q3 2006	\$12,427.74
Q4 2006	\$10,229.91
Q1 2007	\$4,786.33
Q2 2007	\$7,896.98
Q3 2007	\$7,203.37
Q4 2007	\$4,986.66
Q1 2008	\$3,895.84
Q2 2008	\$3,532.03
Q3 2008	\$2,902.19
Q4 2008	\$1,158.75
Q1 2009	\$1,745.27
Q2 2009	\$1,460.46
Q3 2009	\$454.12
Q4 2009	\$1,722.82
Q1 2010	\$3,267.35
Q2 2010	\$2,440.63

Tax Period (Form 941)	Unpaid Balance as of April 30, 2021
Q3 2010	\$2,149.43
Q4 2010	\$1,777.42
Q2 2015	\$663.29
Q4 2015	\$3,441.26
Q1 2016	\$3,792.04
Q2 2016	\$3,124.82
Q3 2016	\$3,446.66
Q4 2016	\$2,746.72
Q1 2017	\$844.21
Q2 2017	\$1,674.62
Q3 2017	\$1,092.94
Q4 2017	\$144.59

I declare under penalty of perjury that the foregoing is true and correct.

Executed on the 3rd day of June, 2021.



Kristen Grove
Revenue Officer
Internal Revenue Service